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## On Co-operation

It seems to me that not enough attention is being paid to the cooperative movement in our country. Not everyone understands that now, since the time of the October revolution and quite apart from NEP (on the contrary, in this connection we must say—because of NEP), our cooperative movement has become one of great significance. There is a lot of fantasy in the dreams of the old cooperators. Often they are ridiculously fantastic. But why are they fantastic? Because people do not understand the fundamental, the rock-bottom significance of the working-class political struggle for the overthrow of the rule of the exploiters. We have overthrown the rule of the exploiters, and much that was fantastic, even romantic, even banal in the dreams of the old cooperators is now becoming unvarnished reality.

Indeed, since political power is in the hands of the working-class, since this political power owns all the means of production, the only task, indeed, that remains for us is to organize the population in cooperative societies. With most of the population organizing cooperatives, the socialism which in the past was legitimately treated with ridicule, scorn and contempt by those who were rightly convinced that it was necessary to wage the class struggle, the struggle for political power, etc., will achieve its aim automatically. But not all comrades realize how vastly, how infinitely important it is now to organize the population of Russia in cooperative societies. By adopting NEP we made a concession to the peasant as a trader, to the principal of private trade; it is precisely for this reason (contrary to what some people think) that the cooperative movement is of such immense importance. All we actually need under NEP is to organize the population of Russia in cooperative societies on a sufficiently large scale, for we have now found the degree of combination of private interest, of private commercial interest, with state supervision and control of this interest, that degree of its subordination to the common interests which was formerly the stumbling block for very many socialists. Indeed, the power of the

state over all large-scale means of production, political power in the hands of the proletariat, the alliance of this proletariat with the many millions of small and very small peasants, the assured proletarian leadership of the peasantry, etc. — is this not all that is necessary to build a complete socialist society out of cooperatives, out of cooperatives alone, which we formerly ridiculed as huckstering and which from a certain aspect we have the right to treat as such now, under NEP? Is this not all that is necessary to build a complete socialist society? It is still not the building of socialist society, but it is all that is necessary and sufficient for it.

It is this very circumstance that is underestimated by many of our practical workers. They look down upon cooperative societies, failing to appreciate their exceptional importance, first, from the standpoint of principal (the means of production are owned by the state), and, second, from the standpoint of transition to the new system by means that are the *simplest, easiest and most acceptable to the peasant*.

But this again is a fundamental importance. It is one thing to draw out fantastic plans for building socialism through all sorts of workers associations, and quite another to learn to build socialism in practice in such a way that *every* small peasant could take part in it. That is the very stage we have now reached. And there is no doubt that, having reached it, we are taking too little advantage of it.

We went too far when we reintroduced NEP, but not because we attached too much importance to the principal of free enterprise and trade — we went too far because we lost sight of the cooperatives, because we now underrate cooperatives, because we are already beginning to forget the vast importance of the cooperatives from the above two points of view.

I now propose to discuss with the reader what can and must at once be done practically on the basis of this “cooperative” principle. By what means can we, and must we, start at once to develop this “cooperative” principle so that its socialist meaning may be clear to all?

Cooperation must be politically so organized that it will not only generally and always enjoy certain privileges, but that these privileges should be of a purely material nature (a favorable bank rate, etc.). The cooperatives must be granted state loans that are greater, if only by a little, than the loans we grant to private enterprises, even to heavy industry, etc.

A social system emerges only if it has the financial backing of a definite class. There is no need to mention the hundreds of millions of rubles that the birth of “free” capitalism cost. At present we have to realize that the cooperatives system is a social system we must now give more than ordinary assistance, and we must

actually give that assistance. But it must be it assistance in the real sense of the word, i.e., it will not be enough to interpret it to mean assistance for any kind of cooperative trade; by assistance we must mean aid to cooperative trade in which *really large masses of the population actually take part*. It is certainly a correct form of assistance to give a bonus to peasants who take part in cooperative trade; but the whole point is to verify the nature of this participation, to verify the awareness behind it, and to verify its quality. Strictly speaking, when a cooperator goes to a village and opens cooperative store, the people take no part in this whenever; but at the same time guided by their own interests they will hasten to try to take part in it.

There is another aspect this question. From the point of view of the “enlightened” European there is not much left for us to do to induce absolutely everyone to take not a passive, but an active part in cooperative operations. Strictly speaking, there is “only” one thing we have left to do and that is to make our people so “enlightened” that they understand all the advantages of everybody participating in the work of the cooperatives, and organized participation. “Only” the fact. There are now no other devices needed to advance to socialism. But to achieve this “only”, there must be a veritable revolution—the entire people must go through a period of cultural development. Therefore, our rule must be: as little philosophizing and as few acrobatics as possible. In this respect NEP is an advance, because it is adjustable to the level of the most ordinary peasant and does not demand anything higher of him. But it will take a whole historical epoch to get the entire population into the work of the cooperatives through NEP. At best we can achieve this in one or two decades. Nevertheless, it will be a distinct historical epoch, and without this historical epoch, without universal literacy, without a proper degree of efficiency, without training the population sufficiently to acquire the habit of book reading, and without the material basis for this, without a certain sufficiency to safeguard against, say, bad harvests, famine, etc.—without this we shall not achieve our object. The thing now is to learn to combine the wide revolutionary range of action, the revolutionary enthusiasm which we have displayed, and displayed abundantly, and crowned with complete success—to learn to combine this with (I'm almost inclined to say) the ability to be an efficient and capable trader, which is quite enough to be a good cooperator. By ability to be a trader I mean the ability to be a cultured trader. Let those Russians, or peasants, who imagine that since they trade they are good traders, get that well into their heads. This does not follow that all. They do trade, but that is far from being cultured traders. They now trade in an Asiatic manner, but to be a good trader one must trade in the European manner. They are a whole epoch behind in that.

In conclusion: a number of economic, financial and banking privileges must be granted to the cooperatives—this is the way our socialist state must promote the

new principle on which the population must be organized. But this is only the general outline of the task; it does not define and depict in detail the entire content of the practical task, i.e., we must find what form of “bonus” to give for joining the cooperatives (and the terms on which we should give it), the form of bonus by which we shall assist the cooperative sufficiently, the form of bonus that will produce the civilized cooperator. And given social ownership of the means of production, given the class victory of the proletariat over the bourgeoisie, the system of civilized cooperators is the system of socialism.

***January 4, 1923***

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## II

Whenever I wrote about the New Economic Policy I always quoted the article on state capitalism which I wrote in 1918 ["Left-Wing" Childishness and the Petty-Bourgeois Mentality; part III]. This has more than once aroused doubts in the minds of certain young comrades but their doubts were mainly on abstract political points.

It seemed to them that the term "state capitalism" could not be applied to a system under which the means of production were owned by the working-class, a working-class that held political power. They did not notice, however, that I use the term "state capitalism", *firstly*, to connect historically our present position with the position adopted in my controversy with the so-called Left Communists; also, I argued at the time that state capitalism would be superior to our existing economy. It was important for me to show the continuity between ordinary state capitalism and the unusual, even very unusual, state capitalism to which I referred in introducing the reader to the New Economic Policy. *Secondly*, the practical purpose was always important to me. And the practical purpose of our New Economic Policy was to lease out concessions. In the prevailing circumstances, concessions in our country would unquestionably have been a pure type of state capitalism. That is how I argued about state capitalism.

But there is another aspect of the matter for which we may need state capitalism, or at least a comparison with it. It is a question of cooperatives.

In the capitalist state, cooperatives are no doubt collective capitalist institutions. Nor is there any doubt that under our present economic conditions, when we combine private capitalist enterprises—but in no other way than nationalized land and in no other way than under the control of the working-class state—with enterprises of the consistently socialist type (the means of production, the land on which the enterprises are situated, and the enterprises as a whole belonging to the state), the question arises about a third type of enterprise, the cooperatives, which were not formally regarded as an independent type differing fundamentally from the others. Under private capitalism, cooperative enterprises differ from capitalist enterprises as collective enterprises differ from private enterprises. Under state capitalism, cooperative enterprises differ from state capitalist enterprises, *firstly*, because they are private enterprises, and, *secondly*, because they are collective enterprises. Under our present system, cooperative enterprises differ from private capitalist enterprises because they are collective enterprises, but do not differ from

socialist enterprises if the land on which they are situated and means of production belong to the state, i.e., the working-class.

This circumstance is not considered sufficiently when cooperatives are discussed. It is forgotten that owing to the special features of our political system, our cooperatives acquire an altogether exceptional significance. If we exclude concessions, which, incidentally, have not developed on any considerable scale, cooperation under our conditions nearly always coincides fully with socialism.

Let me explain what I mean. Why were the plans of the old cooperators, from Robert Owen onwards, fantastic? Because they dreamed of peacefully remodeling contemporary society into socialism without taking account of such fundamental questions as the class struggle, the capture of political power by the working-class, the overthrow of the rule of the exploiting class. That is why we are right in regarding as entirely fantastic this “cooperative” socialism, and as romantic, and even banal, the dream of transforming class enemies into class collaborators and class war into class peace (so-called class truce) by merely organizing the population in cooperative societies.

Undoubtedly we were right from the point of view of the fundamental task of the present day, for socialism cannot be established without a class struggle for the political power and a state.

But see how things have changed now that the political power is in the hands of the working-class, now that the political power of the exploiters is overthrown and all the means of production (except those which the workers' state voluntarily abandons on specified terms and for a certain time to the exploiters in the form of concessions) are owned by the working-class.

Now we are entitled to say that for us the mere growth of cooperation (with the “slight” exception mentioned above) is identical with the growth of socialism, and at the same time we have to admit that there has been a radical modification in our whole outlook on socialism. The radical modification is this; formerly we placed, and had to place, the main emphasis on the political struggle, on revolution, on winning political power, etc. Now the emphasis is changing and shifting to peaceful, organizational, “cultural” work. I should say that emphasis is shifting to educational work, were it not for our international relations, were it not for the fact that we have to fight for our position on a world scale. If we leave that aside, however, and confine ourselves to internal economic relations, the emphasis in our work is certainly shifting to education.

Two main tasks confront us, which constitute the epoch—to reorganize our machinery of state, which is utterly useless, in which we took over in its entirety from the preceding epoch; during the past five years of struggle we did not, and could not, drastically reorganize it. Our second task is educational work among the peasants. And the economic object of this educational work among the peasants is to organize the latter in cooperative societies. If the whole of the peasantry had been organized in cooperatives, we would by now have been standing with both feet on the soil of socialism. But the organization of the entire peasantry in cooperative societies presupposes a standard of culture, and the peasants (precisely among the peasants as the overwhelming mass) that cannot, in fact, be achieved without a cultural revolution.

Our opponents told us repeatedly that we were rash in undertaking to implant socialism in an insufficiently cultured country. But they were misled by our having started from the opposite end to that prescribed by theory (the theory of pedants of all kinds), because in our country the political and social revolution preceded the cultural revolution, that very cultural revolution which nevertheless now confronts us.

This cultural revolution would now suffice to make our country a completely socialist country; but it presents immense difficulties of a purely cultural (for we are illiterate) and material character (for to be cultured we must achieve a certain development of the material means of production, we must have a certain material base).

***January 6, 1923***

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